

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 19, 2014

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: SANDRA MARKS, DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM # 3 - FY 2016-2025 CIP UPDATE

ISSUE: Update on FY 2016 - FY 2025 City Capital Improvement Program (CIP)

RECOMMENDATION: That the Transportation Commission (Commission) receive the update and provide guidance to staff for preparation of the FY 2016 budget for inclusion in the City Manager's FY 2016 budget.

DISCUSSION: Each year the City Manager presents a proposed City Budget to the City Council for consideration and action. As part of the budget process, a ten-year Capital Improvement Program (CIP) is developed programming funding for major capital projects in the City. Funding for CIP comes from the City's general fund, grants and other non-City sources of funding including developer contributions.

As part of the Council's Strategic Plan, one of the objectives is to *develop local, reliable funding mechanisms to support a fiscally constrained transportation plan*. In 2011, the Council approved a 2.2 cent reservation of the property tax to fund transportation projects. This funding has provided the opportunity to fund many of the projects on the Long Range Transportation Plan (LRP) over the next ten years. In 2013, House Bill 2313 was signed into law which levies additional taxes and fees to generate additional revenue for transportation projects. Taking into account this new funding source, the Commission recommended in October 2013 the following policy guidance to staff for the FY2015-24 CIP:

- Maintain funding for highest priorities set by Transportation Commission.
- Allocate Northern Virginia Transportation Authority (NVTA) 70 percent funds for high priority major capital investments with regional impacts, with an emphasis on leveraging non-city funds and/or accelerating project delivery.
- Utilize funding sources with least restrictions on project eligibility (i.e. CMAQ, RSTP, and NVTA 30 percent funds) for non-motorized projects, project development, ADA improvements, maintenance and operations.
- Commit adequate operating funds to provide the project management, procurement, management and of staff resources necessary to implement new capital projects and programs. Consider capitalizing staff positions that are directly related to capital project

implementation, as allowable, in order to utilize capital funds and reduce impacts on the operating budget.

- Ensure that city transportation funding levels are maintained or increased above the maintenance-of-effort requirements of HB2313, to provide new transportation capacity and enhanced transportation services and programs while also maintaining existing assets in a state of good repair.
- Preserve the 2.2 cent transportation reservation in order to comply with maintenance-of-effort requirements, maintain flexibility, and to offset previous loss of state urban funds.

This guidance reflects the additional responsibilities that come along with the new regional and state funding available for transportation projects in FY 2016 and beyond. In 2013, the Transportation Commission encouraged Council to allocate the resources necessary to ensure that these projects can be implemented on schedule and within budget, and to ensure that the City does not risk losing these funds.

An analysis was completed to determine the percentage of the total CIP funding that was budgeted for each mode of transportation, over a historical period, FY 2009 through FY 2015 (Attachment 1). Over the past five years, the percentage of total CIP funding that has been allocated toward both non-motorized, and transit projects has had a general increase. Meanwhile, the percentage of total CIP funding allocated toward Street and Bridge projects has decreased, with the exception of the FY 2014 budget where there was a modest increase over the previous two years. These changes are consistent with the priorities set forth in the 2008 Transportation Master Plan and Transportation Commission guidance.

Staff anticipates taking Transportation Commission guidance, and bringing back CIP priorities in January 2015 for consideration by the Transportation Commission, followed by a public hearing at the February 2015 Transportation Commission meeting.

Attachment 1: CIP Budget by mode

CIP Historical Budget by Mode

CIP Year	Transit	Non-Motorized	Streets & Bridges	Fixed Transp. Equipment	TOTAL
2009 Percentage	41%	1%	48%	10%	100%
2010 Percentage	51%	3%	39%	7%	100%
2011 Percentage	43%	9%	37%	11%	100%
2012 Percentage	60%	11%	22%	7%	100%
2013 Percentage	54%	15%	22%	9%	100%
2014 Percentage	47%	12%	34%	7%	100%
2015 Percentage	54%	9%	32%	5%	100%

NOTE: Transit excludes funding for Potomac Yard Metrorail station, and WMATA Capital funds

Real Estate Tax for Transportation Improvements was introduced in FY 12	
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